

# **FISCAL NOTE**

## **HB 649 - SB 871**

February 26, 2003

**SUMMARY OF BILL:** Reduces the professional privilege tax from \$400 to \$200 for individuals working in that profession part-time. Individuals would be considered part time if they work less than 20 hours per week or make less than one half of the average statewide salary for that vocation.

### **ESTIMATED FISCAL IMPACT:**

**Decrease State Revenues - \$1,015,000**

**Increase State Expenditures - Less Than \$100,000 - One Time**

Estimate assumes:

- According to the Bureau of Labor and Statistics, an estimated 10,150 persons subject to the state professional privilege tax work less than 34 hours per week.
- Approximately half of those individuals work less than 20 hours per week. Therefore, a total of 5,075 people would be subject to the reduction in the professional privilege tax.
- The decrease in state revenue is calculated as  $5,075 \times \$200 = \$1,015,000$ .
- There would be one-time costs associated with the notification to taxpayers.
- There would be a one-time cost associated with systems changes involved with implementing the tax reduction.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director